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## Housing Committee

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### HB 2683

**Brief Description:** Creating an affordable housing for all program.

**Sponsors:** Representatives Miloscia and Chase.

#### Brief Summary of Bill

- The Affordable Housing For All (AHFA) program is created with a goal to ensure a decent, appropriate, and affordable home in a healthy, safe environment for every very low-income household by 2020.
- The Department of Community, Trade and Economic Development (DCTED) as well as all counties are required to create AHFA plans to accomplish the AHFA goal.
- A \$20,000 appropriation is included for the DCTED to award to statewide housing focused organizations to develop independent AHFA plans.
- The Department of Employment and Security is required to establish a state Self-Sufficiency Standard.
- The Joint Legislative Audit and Review Committee is required to conduct a performance evaluation of the Growth Management Act.

**Hearing Date:** 1/23/08

**Staff:** Robyn Dupuis (786-7166).

#### Background:

##### Affordable Housing for All Surcharge

County auditors are required by statute to record deeds and other instruments that are filed and recorded. A \$10 surcharge is charged for recording certain documents to support low-income housing projects (RCW 36.22.178). The 2007 Legislature named this surcharge the "Affordable Housing for All Surcharge".

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The county is allowed to keep up to 5 percent of the \$10 surcharge for the collection, administration, and local distribution of the funds. Of the remaining funds, 40 percent is transmitted into the Affordable Housing for All account administered by the DCTED to be used to provide housing and shelter for extremely low-income households. The remainder of the revenue generated is retained by the counties for low-income housing programs and projects which serve households making at or below 50 percent of the area median income.

### **Summary of Bill:**

#### **The Affordable Housing for All Program (AHFA)**

The Affordable Housing For All program is created with a goal to ensure a decent, appropriate, and affordable home in a healthy, safe environment for every very low-income household by 2020. The priority is reaching this goal for extremely low income individuals (those with incomes at or below 50% of the area median income) and there is a program focus on promoting self-sufficiency and economic independence.

#### **The Department of Community, Trade and Economic Development (DCTED) AHFA Requirements:**

- **State AHFA Plan:** The DCTED is required to produce and annually update a state AHFA plan which may be combined with the state Homeless Housing and Assistance plan to create one state housing plan (first due December 31, 2009). A variety of specific plan requirements are described, including an assessment of the housing needs for all economic segments by wage level decile. Performance measures for the state AHFA are to be created by the DCTED (with guidance in statute\*) in consultation with a taskforce.
- **Annual Performance Evaluations of County Plans:** The DCTED is required to evaluate county AHFA plans.
- **Annual Performance Evaluations of Counties:** The DCTED is required to evaluate county performance in relation to the stated goals in county plans.
- **Annual Presentation to Legislature:** The DCTED must present the results of county performance evaluations annually to the Legislature.

#### **County AHFA Requirements:**

*Counties may "opt out" of the AHFA program.*

- **County AHFA Plans:** All counties are required to produce a county AFHA plan by June 30, 2009 and update the plan annually. Plans may be the same as the county Homeless Housing and Assistance plan, the county Growth Management Act comprehensive plan or other county housing plan. County plan requirements are consistent with the state AHFA plan requirements.
- **County Taskforces:** Counties must convene a county taskforce (which may be the same as the county's Homeless taskforce) to create the county plan and recommend expenditures of AHFA surcharge funds.
- **Report on Use of Funds:** Counties must report to the DCTED on the uses of the AHFA surcharge funds.

#### **Other Planning Agencies**

- A \$20,000 appropriation is included for the DCTED to distribute to statewide organizations addressing homelessness or affordable housing. Funding must be used by these

organizations to create their own statewide AHFA plans. Plans are to be presented to the Legislature one year after fund receipt.

#### **AHFA Program Performance Audit**

- The Joint Legislative Audit and Review Committee (JLARC) must audit the AHFA program every four years (first due December 31, 2011).

#### **\*AHFA Performance Measures for state and county plans and programs must be established by December 31, 2008 and must include:**

- (a) An overall measurement of the affordable housing needs met for extremely low, low, and low-income households within each 12 month period;
- (b) A measure of the change in the cost of housing relative to the change in wages;
- (c) A measure of the increase in affordable rental housing;
- (d) A measure of the increase in self-sufficiency amongst individuals and families;
- (e) A measure of the increase in individuals' and family wages;
- (f) A measure of community support for the state and county plans;
- (g) A measure of county government financial support for the program;
- (h) A measure of the financial viability of the state and county plans;
- (i) A measure of the financial efficiency of the housing programs funded by the county;
- (j) A measure of the quality of the state and county plans; and
- (k) A measure of the quality of the management of county governments.

#### **Other Significant AHFA Bill Components**

- **Quality Management:** Beginning in 2010, all local governments receiving over \$500,000 per year from the state housing-related funding sources, the Washington State Housing Finance Commission (HFC) and local housing-related surcharges must apply to the Washington State Quality Award (WSQA) program every three years. The HFC shall apply to the WSQA by 2010 and every three years thereafter.
- **State Agency Housing Performance Evaluations:** The DCTED must annually evaluate all state agencies regarding their housing programs and provide the evaluations to the Legislature.
- **Self-Sufficiency Standard:** The Employment and Security Department is directed to determine a "self-sufficiency standard" for the state and for each county.
- **JLARC GMA Performance Evaluation:** JLARC is to conduct a performance evaluation of the GMA by January 1, 2009 using specific performance measures.
- **Housing Trust Fund (HTF) Funding Preferences:** The HFC is directed to give preference to applications of organizations who are committed to quality improvement and who have submitted an application to the WSQA program within the previous three years.

**Appropriation:** The sum of \$20,000.

**Fiscal Note:** Requested on January 15, 2008.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.